



# Maryland Department of Budget & Management

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*Office of the Secretary  
Division of Policy Analysis*

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## AMENDMENT #1 – 11/15/2004 REQUEST FOR PROPOSALS (RFP) VIDEO LOTTERY TERMINAL (VLT) MODELING TOOL Project No. F10R5200096

Ladies/Gentlemen:

This Amendment #1 is being issued to amend and clarify certain information contained in the above referenced RFP. All information contained herein is binding on all offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined and marked in bold (i.e., **word**) and language deleted has been marked with a strikeout (i.e., ~~word~~).

1. **REVISE: “KEY INFORMATION SUMMARY SHEET”, page iii**

Closing Date and Time: November **30 23**, 2004 at 2:00 PM (Local Time)

2. **REVISE: SECTION 1.11, Proposals Due (Closing) Date, page 7**

An unbound original and three (3) bound copies of each proposal (Technical and Financial) must be received by the Procurement Officer, at the address listed in Section 1.6 and the Key Information Summary Sheet, **no later than 2:00 PM (Local Time) on November 30 23, 2004**, in order to be considered. An electronic version (diskette or CD) of the Technical Proposal in MS Word format must be enclosed with the original technical proposal. An electronic version (diskette or CD) of the Financial Proposal in MS Excel format must be enclosed with the original financial proposal. Insure that the diskettes are labeled with the Date, RFP title, RFP number, and Offeror name and packaged with the original copy of the appropriate proposal (Technical or Financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10 and 21.05.03.02, proposals received by the Procurement Officer after the due date, November **30 23**, 2004, at 2:00 PM (Local Time) will not be considered. Proposals may not be submitted by e-mail or facsimile. Proposals will not be opened publicly.

3. **REVISE: SECTION 2.4, Scope of Services to be Performed, sub-paragraph 2.4.1.2, page 13**

2.4.1.2. **Consider Analyze** the following variables and determine **which variables listed below, or any others proposed by the offeror, will** ~~the~~ impact on the win-per-day. **For those variables that will impact win-per-day, the modeling tool shall allow DBM to**

manipulate those variables and the modeling tool shall report the effect on win-per-day  
that the variance of each variable will have:

Variables DBM will be able to manipulate in-house at the user level

- Location of VLT facilities
- Whether the facilities are temporary, ~~or~~ permanent, or a combination of the two
- Splits
- State owned facilities vs. privately owned
- Publicly financed capital expenditures vs. privately financed (debt servicing)
- Positions per location
- Licensing/application fees
- Whether the facility is a destination resort, Racino, Hotel, stand-alone facility, or any other setting.
- Capital investment at the VLT facility
- Whether Maryland facilities have structured parking or paved lots
- Operating hours at Maryland facilities
- Availability of free or discount food and drink at Maryland VLT facilities
- ~~—Whether Maryland facilities have generic VLT machines or premium name brand machines~~
- ~~—Whether the State leases the VLT machines or owns the machines~~
- ~~—Floor mix: variance of machine denominations~~
- ~~—Percentage of payout variance~~
- ~~—Whether the machines are class II or class III as defined by Bureau of Indian Affairs~~
- ~~—Whether the machines accept tickets or coins and whether the machines produce a ticket out or a coin out~~
- ~~—Machines that allowed pooled bets vs. stand alone betting~~
- Machine Composition (all variables)
  - Floor mix: machine denominations
  - Payout percentage
  - Class of machines as defined by Bureau of Indian Affairs
  - Type of payment in (coins, tickets, electronic cards, etc)
  - Type of payment out (coins, tickets, electronic cards, etc)
  - Connectivity of machines (pooled bets within one location, pooled bets within several locations, stand alone betting, etc)
  - Manufacture of machines and brands of machines (name brand, generic, etc)
  - Ownership of machines (State, Licensee, or any other entity)
- Other locations in Maryland
- Change in neighboring states' VLT positions, or any other legally authorized gaming positions
  - Location
  - Number of machines
  - Hours of operation
  - Level of taxation

Variables the contractor shall populate at initial installation and update during the contract term as DBM requests

- Transportation infrastructure of Maryland
- Gray machine market and legal pull tab machines in Maryland
- Neighboring states' gaming VLT laws
- Neighboring states' gaming VLT locations
- Neighboring states' capital investments at gaming locations
- Neighboring states' structured parking at gaming locations

- Maryland demographics
  - Population density
  - Wealth
  - Current gaming participation rates
  - Social and Income Characteristics
- Tourism
  - Demographics of tourists
  - Volume of tourism

4. **REVISE: SECTION 3.4.2.4, Offeror Experience and Capabilities**

Offerors should include information on past experience with video lottery terminal implementation and analyses. Offerors shall describe their experience and capabilities through a response to the following:

- An overview of the Offeror's experience providing services similar to those required by this RFP. This description should include:
  - A summary for each engagement of the problem presented, services provided, and outcome.
  - The number of years the Offeror has provided these services.
  - The name of the client organization; the name, title and telephone number of point-of-contact for the client organization.
- Specifically address past experience of the Offeror and proposed personnel with:
  - Video Lottery Terminal operations
  - The gaming industry
  - Performing financial modeling and projections
  - Cash flow valuations
  - Reviewing business plans
  - For the period beginning January 1, 1999 through the date of the submission of a response, affiliations (employees, agents, consultants, investors, etc) with the owners or operators of possible sites for video lottery terminals; and
  - For the period beginning January 1, 1999 through the date of the submission of a response affiliations with the manufacturers (employees, agents, consultants, investors, etc) of video lottery terminals.
- Describe the availability of the Offeror to perform the work as described in the RFP, including the flexibility to dedicate staff to these efforts during the period of the contract.
- The names, titles, and resumes of the key management personnel directly involved with supervising the services rendered under the contract.

5. **ADD: SECTION 2.4.16, Affiliations, page 20**

The Contractor shall provide the Department with updated lists of affiliations with possible sites and manufacturers of video lottery terminals during the term of the Contract as necessary, including but not limited to upon the identification of a possible site that was not foreseen by the Contractor upon submission of its proposal or a change in affiliation.